



First Update to

The Climate Change Scoping Plan

March 10, 2014

California Environmental Protection Agency

 **Air Resources Board**

AB 32 Scoping Plan Update

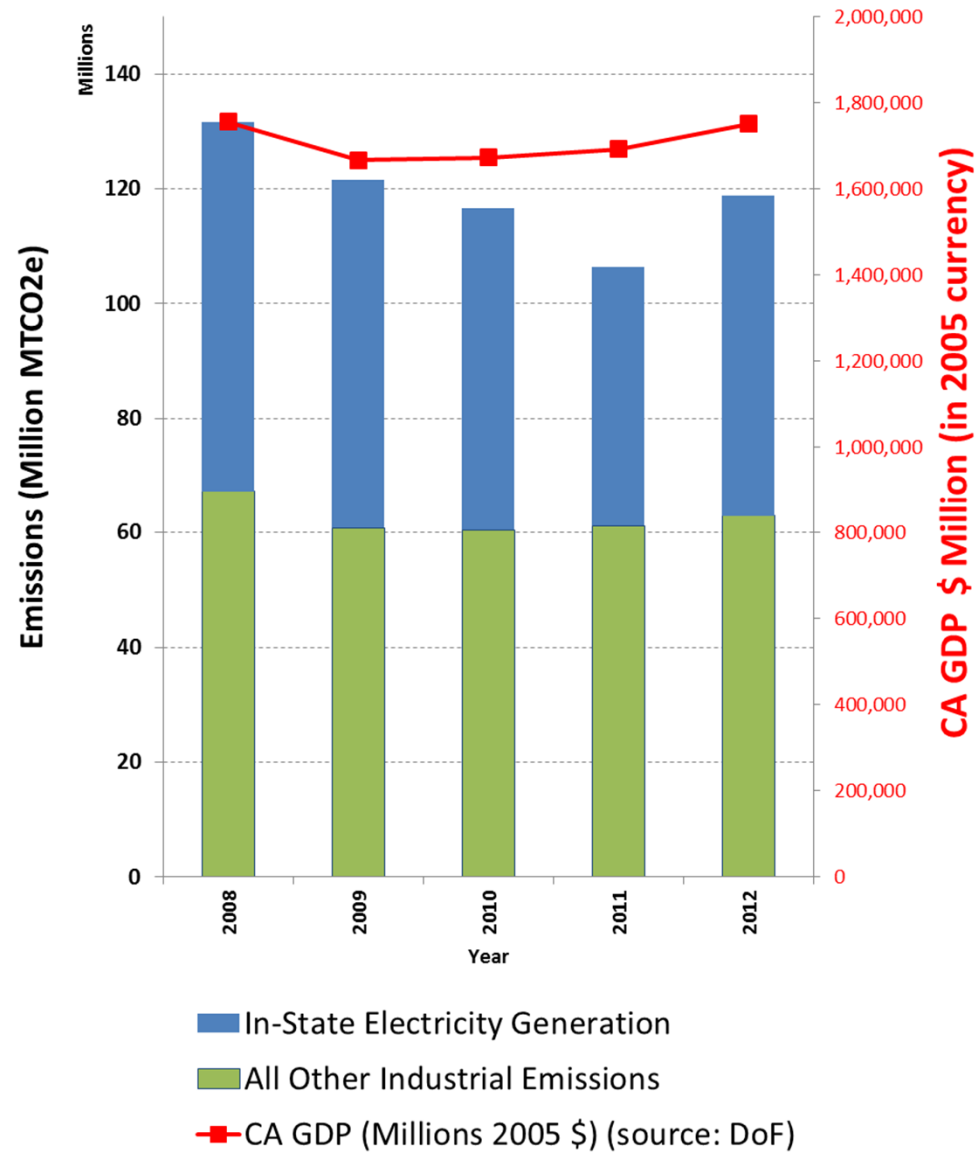
Key Questions

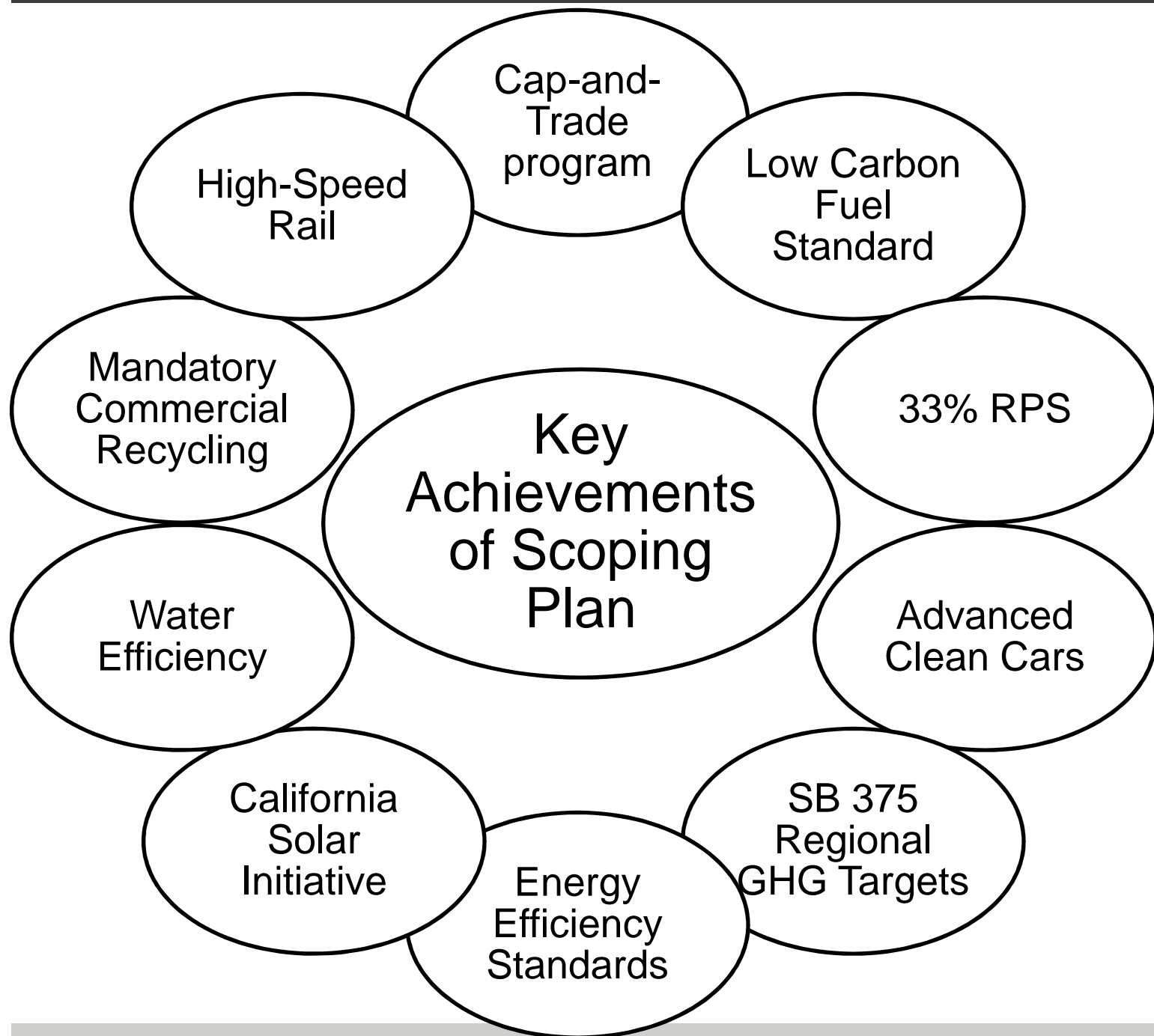
- How have we done over past 5 years?
- What is needed to continue to 2020?
- What steps are needed to continue emission reductions and grow our economy beyond 2020?

2008-2012 CA GDP & Industrial Emissions

Trends

(Source: MRR)



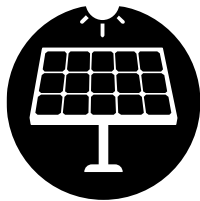


Continuing Progress Beyond 2020

Need for a Midterm Target

- Science supports continued reductions
- California's 2050 goal
- Establishing a 2030 target would:
 - Ensure continued progress toward goal
 - Provide greater levels of market certainty in the near term
 - Frame the next suite of emission reduction measures
- Coordination with Administration, Legislature, stakeholders

Sector Recommendations



Energy



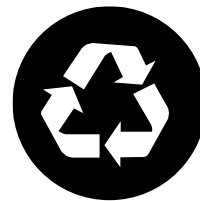
Transportation



Agriculture



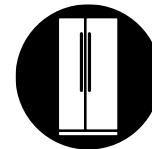
Water



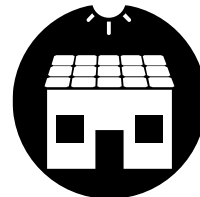
Waste Management



Natural & Working Lands



Short Lived
Climate Pollutants



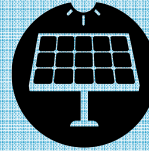
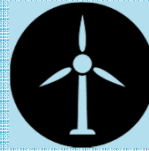
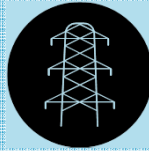
Green Building

Overarching Recommendations

- Establish statewide mid-term limit as well as sector-specific mid-term targets
- Align strategies to meet air quality and climate change objectives
- Avoid disproportionate impacts to disadvantaged communities
- Plan for zero, near-zero emissions in all sectors
- Continue Cap-and-Trade Program to help meet mid-term and long-term climate goals

Recommendations

Energy



- Develop a comprehensive GHG emission reduction program for energy by 2016
 - Coordinate policies, technologies, and investments to cost-effectively meet mid-term and long-term targets
- Increase energy efficiency, distributed generation/CHP, demand response, and integrated low carbon energy supply

Recommendations

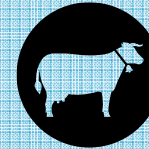
Transportation



- Reduce light-duty and heavy-duty GHG emissions 5 percent per year to continue progress toward near-zero emissions by 2050
- Enhance and strengthen LCFS
- Develop Sustainable Freight Strategy
- Leverage investments to achieve both GHG and air quality goals

Recommendations

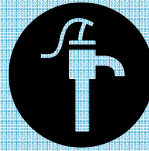
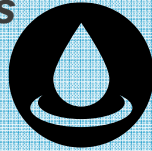
Agriculture



- Convene interagency workgroup to:
 - Establish mid-term and long-term planning targets
 - Provide tools and calculators for GHG emission reduction best practices
 - Recommend strategies to reduce GHG emissions associated with energy in agricultural water use
- Interagency dairy digester group to develop recommendations for methane capture standards
- Strengthen technical assistance and associated incentives

Recommendations

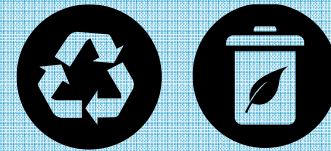
Water



- Convene interagency workgroup to guide adoption of GHG emission reducing policies for water sector investments
 - Include water conservation measures and regulations
- Identify and incent implementation of rate structures that reflect economic, social, and environmental value of water in California
- Develop comprehensive groundwater management strategies

Recommendations

Waste Management



- Develop programs to eliminate disposal of organic waste at landfills
- Explore opportunities for additional methane control and increased utilization of captured methane
- Implement financing or incentive mechanisms for in-State infrastructure development

Recommendations

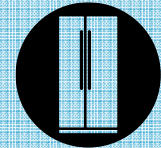
Natural & Working Lands



- Convene interagency workgroup to develop forest carbon plan that establishes quantitative mid-term and long-term planning targets
- Develop coordinated local land use program
- Expand urban forestry, green infrastructure, and investments
- Strengthen, refine, and implement actions for use of forest biomass
- Convene climate investment working group to outline funding needs and priorities for forests, wetlands and rangelands

Recommendations

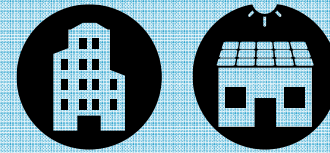
Short-Lived Climate Pollutants



- ARB measures have achieved significant reductions in black carbon
- Current programs reducing HFC emissions
- Efforts underway to achieve further reductions of HFCs and methane emissions
- Develop comprehensive strategy for mitigation of SLCP by 2015

Recommendations

Green Buildings



- Develop a comprehensive program to reduce GHG emissions from buildings by 2017
 - New construction
 - Existing building retrofits
 - Operation and maintenance of existing green buildings

Next Steps for Update Approval

- March — Draft Environmental Analysis (EA) released for public review and comment
- Late April — Written comments on Proposed Update and the draft EA are due to ARB
- May — Written responses to comments received on draft EA posted to ARB's website
- Late May— Board consideration of final EA, written responses to EA comments, and final Proposed Update

Upcoming Major Activities

- Cap-and-Trade Implementation
- Low Carbon Fuel Standard
- Incentives
- Energy

Cap-and-Trade Implementation

- Cap-and-Trade program amendments
- Continued development of offsets
- Fuels under the Cap starting January 1, 2015

Low Carbon Fuel Standard

- Regulated parties generating credits for current and future compliance
- Credit market is healthy
- 2013 court rulings allow for continued enforcement of the LCFS

Incentives

- Enhanced Fleet Modernization Program
- Air Quality Improvement Program
- State budget proposes \$200 million for Low Carbon Transportation

Fuels and Energy

- Board item on emissions from oil and gas production, processing, and storage
- Ongoing State agency coordination
- Support federal activities: Clean Air Act Section 111(d)

Conclusions

- Climate change will require California to:
 - Continue leading the world in effective strategies toward cleaner, more sustainable economy
 - Continue sharing successful approaches to climate policy
 - Continue building a State that provides low carbon, high quality lifestyles
- Set of actions in Proposed Update will:
 - Drive down emissions
 - Spur innovation in clean and advanced technology
 - Improve air quality
 - Create more livable communities